

**United States House of Representatives
Joint Hearing**

**Subcommittee on Oversight
of the Committee on Ways and Means
and
Subcommittee on Social Security
of the Committee on Ways and Means**

**Testimony of
Joe Dirago
President
National Council of Social Security
Management Associations, Inc.**

Oversight Hearing on Social Security Administration's Payment Accuracy

June 14, 2011

Chairmen Boustany and Johnson, Ranking Members Lewis and Becerra, and members of the Subcommittees, on behalf of the National Council of Social Security Management Associations (NCSSMA), thank you for the opportunity to submit this written testimony regarding Social Security's payment accuracy. We share your concern that stewardship and protecting taxpayer dollars is of paramount importance. Much of my testimony focuses on the effect of the Social Security Administration's annual appropriations levels on payment accuracy and accomplishing program integrity workloads. I am the President of NCSSMA and have been the District Manager of the Social Security office in Newburgh, New York for ten years. I have worked for the Social Security Administration (SSA) for 31 years, with 27 years in management.

NCSSMA is a membership organization of nearly 3,400 SSA managers and supervisors who provide leadership in 1,299 community based Field Offices and Teleservice Centers throughout the country. We are the front-line service providers for SSA in communities all over the nation. We are also the federal employees with whom many of your staff members work to resolve problems and issues for your constituents who receive Social Security retirement, survivors and disability benefits (RSDI), and Supplemental Security Income payments (SSI). Since the founding of our organization over forty-one years ago, NCSSMA has considered our top priority to be a strong and stable Social Security Administration, one that delivers quality and timely community-based service to the American public. We also consider it a top priority to be good stewards of the taxpayers' moneys and the Social Security programs we administer.

It is fitting that this hearing is held on June 14, Flag Day, commemorating the adoption of the flag of the United States of America and a symbol of our country's vigilance and perseverance. NCSSMA has critical concerns about whether our country's most successful government program will be funded appropriately so that it may persevere as the safety net of America, as it

has for more than 76 years. Congress must be vigilant about ensuring that this great program receives the necessary funding to properly address its stewardship responsibilities and maintain service levels vital to millions of Americans. This includes our nation's veterans, who fought to preserve the very ideals that our American flag symbolizes.

Appropriations to the Social Security Administration are an excellent investment and return on taxpayer dollars. The additional funding Congress provided SSA in Fiscal Years 2008-2010 helped significantly to prevent workloads from spiraling out of control, allowed the agency to accomplish its program integrity workloads, and assisted with improving service to the American public.

Despite SSA's enormous workloads and challenges, SSA's FY 2011 appropriation for administrative funding through the Limitation on Administrative Expenses (LAE) account was below the FY 2010 enacted level and \$275 million was rescinded from Carryover Information Technology (IT) funds. ***This funding level does not allow SSA to cover inflationary costs for fixed expenses, which has resulted in a hiring freeze, drastic reduction of overtime hours, and postponements of initiatives to improve efficiency – all of which will have major public service repercussions.***

Our testimony provides a summary of the current state of SSA operations, a review of SSA's current funding situation and the President's FY 2012 budget request, and information about the many challenges confronting our agency. Detailed information on SSA's program integrity investments is provided, which emphasizes the importance of providing SSA with the necessary resources to serve the American public and to accomplish critical stewardship responsibilities.

SSA already has an acute staff-to-workload imbalance and is over-extended in critical program areas as it struggles to keep up with rapidly increasing workloads and existing backlogs. Congress must give thoughtful consideration to future appropriations for SSA to ensure the preservation of this valued program. Properly funding SSA to process core workloads and invest in program integrity initiatives to improve payment accuracy will save taxpayer dollars and is fiscally prudent in reducing the federal budget and deficit.

The Current State of SSA Operations

NCSSMA has critical concerns about the dramatic growth in SSA workloads, and the need to receive necessary funding to maintain service levels vital to 60 million Americans. Despite agency strategic planning, expansion of online services, significant productivity gains, and the best efforts of management and employees, SSA is still faced with many challenges to providing the service that the American public has earned and deserves.

Over the last seven years, SSA has experienced a significant increase in RSDI and SSI claims. The additional claims receipts are driven by the initial wave of the nearly 80 million baby boomers who will be filing for Social Security benefits by 2030 – an average of 10,000 per day! Concurrently, there has been a surge in new initial claims filed due to poor economic conditions and rising unemployment levels.

The need for resources in SSA Field Offices is critical to process these additional claims and provide other vital services to the American public. Field Offices are responsible for processing 2.4 million SSI redeterminations in FY 2011, a 100 percent increase compared to FY 2008. Nationally, visitors to Field Offices increased from 41.9 million in FY 2007 to 45.4 million in FY 2010. SSA is also experiencing unprecedented telephone call volumes, and in FY 2010, SSA completed 67 million transactions over the 800 Number network – the most ever. In addition to telephone transactions over the 800 Number network, NCSSMA estimates that Field Offices handle approximately 30 million public telephone contacts annually.

Nationwide, over 3.2 million new disability claims were filed and sent to the state Disability Determination Services (DDS) in FY 2010. This surge of increased claims has created backlogs. As of the end of May 2011, the number of pending initial disability claims was 785,624 – a 39 percent increase from the end of FY 2008. SSA's largest backlogs are hearing requests appealing initial disability decisions, which are processed by the Office of Disability Adjudication and Review (ODAR). Hearing receipts continue to rise, and as of May 2011, 740,998 hearings were pending which is over 35,000 more hearings than at the end of FY 2010.

As SSA Field Offices and DDSs are not receiving staff replacements and overtime is significantly reduced, there are insufficient resources to accomplish workloads, which results in delays and backlogs. Public service is deteriorating and the situation will continue to erode throughout the year. This is exacerbated by the fact that SSA has to accomplish the same number of program integrity workloads with fewer resources.

Social Security Administration Funding

SSA Funding for FY 2011

NCSSMA supported the President's FY 2011 budget request of \$12.379 billion for SSA's administrative expenses. Much of this increase was needed to cover inflationary costs for fixed expenses. Funding at this level would have assured that SSA could meet its public service obligations. Despite SSA's enormous challenges, attaining this level of funding was not possible. SSA's FY 2011 appropriation for administrative funding through the LAE account was \$10.7755 billion, which is \$25 million below the FY 2010 enacted level and \$275 million was rescinded from SSA's Carryover IT funds.

Inadequate funding of SSA in FY 2011, including rescissions, is having major repercussions for SSA, most notably with the inability to hire staff replacements. The reduced staffing levels in SSA Field Offices and DDSs, along with significantly reduced overtime, is negatively impacting efforts to address key workloads such as processing disability claims.

Reducing resources at the same time SSA workloads are increasing is not prudent and has led to significant cutbacks for members of the public who rely on SSA for essential services. This is a prescription for making a very productive agency that efficiently uses the taxpayers' moneys into one with significant service delays and backlogs as it tries to cope with the mounting workloads and public recontacts. In addition, service deterioration and backlogs resulting from inadequate FY 2011 funding levels will have a collateral negative impact on FY 2012.

President's Proposed FY 2012 SSA Budget Request

NCSSMA supports the President's FY 2012 budget request for SSA. The total SSA budget request is \$12.667 billion, which includes \$12.522 billion in administrative funding through the LAE account. We respectfully request that Congress provide the President's full budget request for SSA in FY 2012.

The following is a direct quote from the SSA FY 2012 Budget Overview:

"In FY 2012, we will need a minimum administrative budget increase of \$300 million just to cover our fixed costs, including rent, guards, postage, and employee salaries and benefits. We will need funding above that level to keep up with our growing workloads, reduce existing backlogs, and meet rising customer service expectations."

Full funding of this request is critical to maintain staffing in SSA's front-line components and cover inflationary increases. It will allow the agency to sustain the momentum achieved to:

- ***Reduce the initial disability claims backlog to 632,000*** by processing over 3 million claims;
- Conduct disability hearings for 822,500 cases and ***reduce the waiting time for a hearing decision below a year for the first time in a decade;***
- Reduce pending hearings to 597,000 from the FY 2010 level of 705,367; and
- ***Complete additional program integrity workloads yielding nearly \$9.3 billion in savings over 10 years, including Medicare and Medicaid savings*** – process 592,000 medical Continuing Disability Reviews (CDRs) and 2.6 million SSI redeterminations.

NCSSMA supports the following legislative and/or regulatory proposals that can improve the effective administration of the Social Security program, with minimal effect on program dollars. We believe these proposals, which are included in the FY 2012 budget request, have the potential to increase administrative efficiency, lower operational costs, and save taxpayer dollars. This includes enacting the Work Incentives Simplification Pilot (WISP), requiring quarterly reporting of wages, workers compensation automatic reporting, and developing an automated system to report state and local pensions. All of these proposals would increase the accuracy of SSA payments.

Assessment of SSA Challenges

Field Office Service Delivery Challenges

SSA Field Offices are experiencing tremendous pressure because of increased workloads and additional visitors. The effect of funding SSA in FY 2011 below FY 2010 levels exacerbates the situation and has already had a significant impact on local Field Offices around the country.

Frontline feedback from our busiest urban offices indicates that some have seen their visitor and telephone traffic explode with overflowing reception areas and increased waiting times.

The managers of busy SSA Field Offices recently provided these comments:

- *We handle close to 2000 visitors a week in my office. Recent losses due to retirement are affecting the service we provide, as we cannot interview the public fast enough. Adding employees to assist with interviews creates backlogs. In addition, the safety of the employees becomes at risk as the public becomes frustrated at the long waits. (California)*

- *The hiring freeze is already having an impact in our office. Our large volume of telephone traffic required us to add two additional employees to phone duty, waiting times and backlogs are increasing and we do not have sufficient staff to reverse the trend. Our employees work hard, however they can only do so much in an eight-hour day. Unless we are allocated additional hiring and resources, the backlogs will continue to grow and service to the public will deteriorate resulting in longer wait times and claims processing delays. This really is unacceptable to the American public we are dedicated to serve. (Alabama)*

Most of SSA has been under a hiring freeze because of the current funding situation. ***A hiring freeze for all of FY 2011 will result in at least a loss of over 2,500 SSA federal employees and over 1,000 DDS employees. It is anticipated that an additional 4,400 SSA federal and DDS employees will be lost in FY 2012.*** This SSA Field Office manager provided the following frontline feedback about the effect of the current SSA hiring freeze on their office.

- *Our office will lose a third employee within a one-year period when a veteran employee retires on June 3, 2011. This is at a time when our claims receipts have increased by over 14% for the first seven months of the fiscal year compared to FY 2010. We cannot replace any of these losses due to the hiring freeze. A 16% reduction in staff, coupled with a 14% increase in claims receipts will result in more backlogs in both claims and post entitlement, a diminished capacity to answer telephone inquiries from the public, and higher in-office waiting times. This is inevitable, despite our best efforts. Our staff takes pride in providing outstanding public service, and it is frustrating that we will not be able to provide the level of service that the citizens in our service area have paid for and deserve. Additionally, with uneven attrition among offices and essentially no replacement hiring allowed for the foreseeable future, our staff universally views this scenario as very unfair to all involved, both the American public and to Field Office staff in offices with heavy losses. (Kentucky)*

As in-office visitors increase in already busy offices, there has also been an increase in reported security incidents. A November 2010, Office of the Inspector General (OIG) Report, “*Threats against SSA Employees or Property*,” indicates, “***SSA has experienced a dramatic increase in the number of reported threats against its employees or property. The number of threats... increased by more than 50% in FY 2009 and by more than 60% FY 2010.***” This SSA Field Office manager relates concerns about some recent security.

- *Security incidents are increasing and two recent serious incidents are a cause for real concern. One involved an unruly visitor who threw a chair and injured another visitor, requiring hospitalization. A second involved a visitor who threatened to kill an employee. Our staffs are dealing with increasing workloads and backlogs, reduced availability of overtime, and a hiring freeze. The security issues only add to the pressures employees feel in performing their important duties. (Texas)*

SSA has a highly skilled but aging workforce with about two-thirds of its over 60,000 employees involved in delivering direct service to the public. ***SSA projects 23 percent of its employees are currently eligible to retire and that figure will increase to 35 percent in five years.*** Significant concerns exist about the agency’s ability to sustain service levels with the tremendous loss of institutional knowledge from SSA’s front-line service personnel. This SSA Field Office manager relates the challenges of dealing with staff retirements:

- *My office has lost 7 employees in the last six months and none of these losses has been replaced. I currently have 16 individuals on staff eligible for retirement. The thought of a 2-year hiring freeze is terrifying. With our current staff, we are unable to keep our appointment calendars current. The staff is extremely stressed. Due to workload pressures, many of the younger employees have expressed concerns about whether they want to stay with the agency. Additional losses would be devastating. (Kansas)*

Geographical staffing disparities will occur with attrition leaving some offices significantly understaffed. This is problematic for rural SSA Field Offices, whose customers often live vast distances away, may have no Internet service, and lack access to public transportation. A Field Office manager in Nebraska provides this comment about how staffing freezes can affect some offices and areas more severely than others.

- *One of our Nebraska offices lost 5 out of 18 employees between March 28 and June 3, 2011 - a 28% reduction in staff. The office is struggling to meet its public service obligations. Other offices in the cluster are helping, but these offices are also staffed historically low. Another Nebraska office, staffed with 15 employees as recently as February 2005 today has 10 employees. A third Nebraska office, once with 13 employees today has 9 employees. Cluster offices use Video Service Delivery technology to help meet interviewing needs, but this technology is also used to conduct remote ODAR hearings and is not always available to assist the office with core workloads. (Nebraska)*

Disability Workload Processes

Eliminating the disability hearings backlog continues to be SSA's top priority, and the agency has made a major resource investment to improve this situation. The agency's goal is to eliminate the backlog by FY 2013 and to improve processing time to 270 days. The Commissioner has implemented several initiatives to achieve this goal, but this will depend on the available resources provided by SSA funding and the volume of new hearings received. A Congressional Research Service report on SSA's Budget Issues dated May 19, 2011 states, "However, extended continuing resolutions that largely fund the agency at previous year levels, LAE appropriations that are below the President's budget request, and rescissions like those passed by the House of Representatives in H.R. 1 may make this goal difficult to attain."

It is important to understand that annual appropriated funding levels for SSA have a critical impact on the hearings backlog. One of the most significant reasons for the increase in disability hearing backlogs was the significant underfunding of SSA. From FY 2004 to FY 2007, the final appropriated funding levels approved by Congress totaled \$854 million less than the President's requests and \$3.071 billion less than the Commissioner's requests.

However, as you can see from the chart below, from FY 2008 to FY 2010, the cumulative final appropriation level was \$203 million **more** than the President's requests. In addition, SSA received nearly \$1.0 billion in American Recovery and Reinvestment Act (ARRA) funding. Half of the ARRA funds were designated to replace the aging SSA National Computer Center. Much of the other ARRA funding has been utilized to help address the hearings backlog at SSA.

SSA FUNDING REQUESTS AND FINAL APPROPRIATIONS: FY 2008 – FY 2010					
(figures in \$Billions)	Commissioner's Request	President's Request	Final Appropriation	Final vs. President	Final vs. Commissioner
FY 2008	\$10.420	\$9.597	\$9.745	\$0.148	(\$0.675)
FY 2009	\$10.395	\$10.327	\$10.454	\$0.059	\$0.127
FY 2010	\$11.793	\$11.451	\$11.447	(\$0.004)	(\$0.346)
Total	\$32.608	\$31.375	\$31.646	\$0.203	(\$0.894)

The increased resources for SSA were even more essential as the agency's workloads grew at a rapid pace following the economic downturn. With the increased funding SSA received in the last three fiscal years, the agency opened or expanded 19 Hearing Offices, including a fifth National Hearing Center, and hired 228 Administrative Law Judges and additional support staff.

SSA's efforts have resulted in significant progress in reducing both the number of pending hearings and the amount of time a claimant must wait for a hearing decision. In May 2011, the average processing time for a hearing was 354 days, the lowest level since Fiscal Year 2003. Even though this is positive news, the Hearing Offices are facing a significant wave of new hearings with approximately 400,000 more hearings from FY 2009 through FY 2011 than were filed in FY 2008. This is attributable to the increased number of disability claims being filed since the economic downturn that began in 2008.

The reduced SSA funding level in FY 2011 has resulted in the suspension of opening eight planned Hearing Offices in Alabama, California, Indiana, Michigan, Minnesota, Montana, New York, and Texas. This diminishes SSA's ability to eliminate the hearings backlog by FY 2013.

Information Technology and eServices to Assist with Service Delivery Challenges

SSA is confronted with significant challenges in managing its IT programs to keep pace with rapidly expanding workloads. NCSSMA believes it is critical SSA receive adequate funding to allow for much-needed IT investments, including replacement of the aging National Computer Center, to maintain systems continuity and availability, upgrade the agency's telephone system, and to improve IT service delivery. SSA's initiatives to implement automation and technological efficiencies are vital to the success of the agency.

The expansion of services available to the American public via the Internet has helped to alleviate the number of visitors and telephone calls to SSA. However, public use of the Internet is not keeping pace with the increasing demand for service. High-volume transactions, such as Social Security cards and benefit verifications, are not available on the Internet, or are only being used to a limited degree. These two workloads account for over 40% of the 45.4 million visitors to SSA Field Offices.

NCSSMA believes that SSA must be properly funded in FY 2012 and beyond so the agency may continue to invest in improved user-friendly online services. This would result in fewer contacts with SSA Field Offices, improved efficiencies, and better public service.

SSA Payment Accuracy and Program Integrity Investments

SSA issues approximately \$800 billion in benefit payments annually to 60 million people, so it is imperative that resources are managed effectively to minimize the risk of making improper payments. Balancing service commitments with stewardship responsibilities is difficult given the complexity of the programs SSA administers, but the reduction of improper payments is one of SSA's key strategic objectives. Performance in this critical area has shown improvement.

- In FY 2009, the accuracy rate for Old Age, Survivors, and Disability Insurance (OASDI) payments was 99.63 percent.
- The SSI accuracy rate improved in FY 2009 to 91.6 percent – an increase of 1.9 percent.
- SSA collected \$3.14 billion in RSDI and SSI overpayments in FY 2010, an increase of approximately \$80 million above FY 2009.

With the ever-increasing workloads SSA must handle and the loss of staff, serious concerns exist about SSA funding levels to address payment accuracy initiatives. Staffing reductions have forced SSA employees to work at an accelerated rate of production, sometimes compromising quality. Given the significant overall dollars involved in SSA's payments, even the slightest errors in the overall process can result in significant improper payments.

The core problem relative to addressing payment accuracy is the time and pressure to complete workloads, which is a direct derivative of resource levels. Reduced staffing affects not only the number of employees available to complete production work, but also management and review positions that ensure quality work is completed. SSA places a high priority on meeting workload goals, but meeting these goals and maintaining payment accuracy requires sufficient resources.

SSA has a number of strategies in place to protect the public's tax dollars and ensure a more efficient and effective government. Specifics on the most powerful tools for reducing improper payments and maximizing program integrity investments are provided below. A narrative follows it on the correlation between SSA appropriations and program integrity initiatives.

Medical CDRs and SSI Redeterminations

Two of the two most powerful tools for reducing improper payments and maximizing program integrity investments are conducting medical CDRs and SSI redeterminations.

- Medical CDRs determine whether disability benefits should be ceased because of medical improvement. ***Medical CDRs have a projected yield of over \$10 in lifetime program savings for every \$1 spent.***
- SSI redeterminations review nonmedical factors of eligibility, such as income and resources, to identify payment errors. ***SSI redeterminations yield a return on investment of \$7 in program savings over 10 years for each \$1 spent, including Medicaid savings accruals.***

The chart below is from the Social Security Administration Office of Quality Performance report of December 2010, "***Supplemental Security Income Redeterminations Change Rate Study Fiscal Year 2010.***" It illustrates the cost savings achieved from completing SSI redetermination program integrity workloads.

SSI REDETERMINATIONS CHANGE RATE							
Review Name	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	FY 10
Redeterminations/Limited Issue Completions	2,526,720	2,462,086	1,414,503	1,038,943	1,220,664	1,730,575	2,445,550
Overpayment Benefits (Millions)	\$2,390.4	\$2,211.0	\$1,378.7	\$1,141.4	\$2,139.2	\$2,843.1	\$3,764.7
Underpayment Benefits (Millions)	\$1,324.3	\$1,247.8	\$849.4	\$709.7	\$1,085.5	\$1,034.1	\$1,425.0

SSA budgetary constraints have caused a shortfall between the number of medical CDRs due and the number conducted each year. This has created a backlog as shown in the chart below.

MEDICAL CDRS DUE AND THE BACKLOG - FY 2002 - FY 2010									
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Due	1,398,000	1,543,000	1,636,000	1,794,000	1,948,000	1,774,000	2,438,000	2,538,000	2,451,000
Backlog	0	102,000	101,000	458,000	946,000	1,202,000	1,438,000	1,496,000	1,522,000

A SSA Office of Inspector General (OIG) report in December 2010, titled, “*Top Issues Facing Social Security Administration Management—Fiscal Year 2011*” provides OIG's perspectives on the most serious SSA management challenges. The report indicates there is a significant need to increase the number of CDRs conducted by SSA because there is a backlog of approximately 1.5 million cases.

If SSA completes all of the 1.5 million medical CDRs, the lifetime program savings would be over \$15 billion!

Access to Financial Institutions

Access to Financial Institutions (AFI) is an electronic process to automatically verify financial account balances alleged by claimants and beneficiaries during the SSI application and redetermination processes. AFI assists with the detection of excess resources in financial accounts and replaces a labor-intensive paper-based process used by SSA Field Offices.

Financial errors are the leading cause of SSI overpayment errors, representing 23 percent of the total and over \$1 billion annually. The AFI program has proven to be very useful in the identification of previously undisclosed accounts and instrumental in improving the SSI overpayment accuracy rate. This is achieved by checking an applicant's bank accounts and selectively checking for unknown accounts with financial institutions in a given area.

AFI is currently operating in 36 States, which represents 91 percent of all SSI recipients. Expansion of the AFI pilot is to be completed by the end of FY 2012. Once AFI is fully implemented, SSA estimates that it should achieve roughly \$20 in total lifetime SSI program savings for every \$1 spent on the program. ***SSA projects approximately \$900 million in lifetime program savings for each year that the fully implemented AFI process is used.***

Work CDRs

Work CDRs are initiated when earnings are reported to a disabled individual's record that could affect their eligibility to benefits. Local SSA Field Offices handle self-reported earnings as well as many third party earning reports. The Office of Disability Operations (ODO) or Program Service Centers (PSCs) conduct reviews based on earnings reports posted on the disabled individual's earnings record.

Regardless of the source of the work report, contact is required with the disabled beneficiary, employers, and often others providing support to the individual to determine if the earnings reported affect disability. In addition to verifying the work activities, SSA must evaluate considerations such as impairment related work expenses (IRWE), subsidies, extra assistance with duties and other special accommodations to determine continuing eligibility.

The work activity of disabled beneficiaries is a significant cause for overpayments. SSA identifies the majority of these cases through the current work CDR process, but a percentage are undetected because either the wages were not identified, or work CDRs were not completed on identified reports of wages. Prompt attention to this workload minimizes overpayments.

SSA had a substantial backlog of work CDRs, but in the last two years, significant progress has been made in reducing both the volume of work CDRs and the number of aged cases. The number of total pending work CDR cases has been reduced by more than 20,000 cases to 45,413. Aged work CDR cases over 180 days have been reduced from 28 percent to 7.4 percent.

NCSSMA believes a continued investment to address work CDRs would enhance SSA's program integrity efforts.

SSA Appropriations and Program Integrity Initiatives

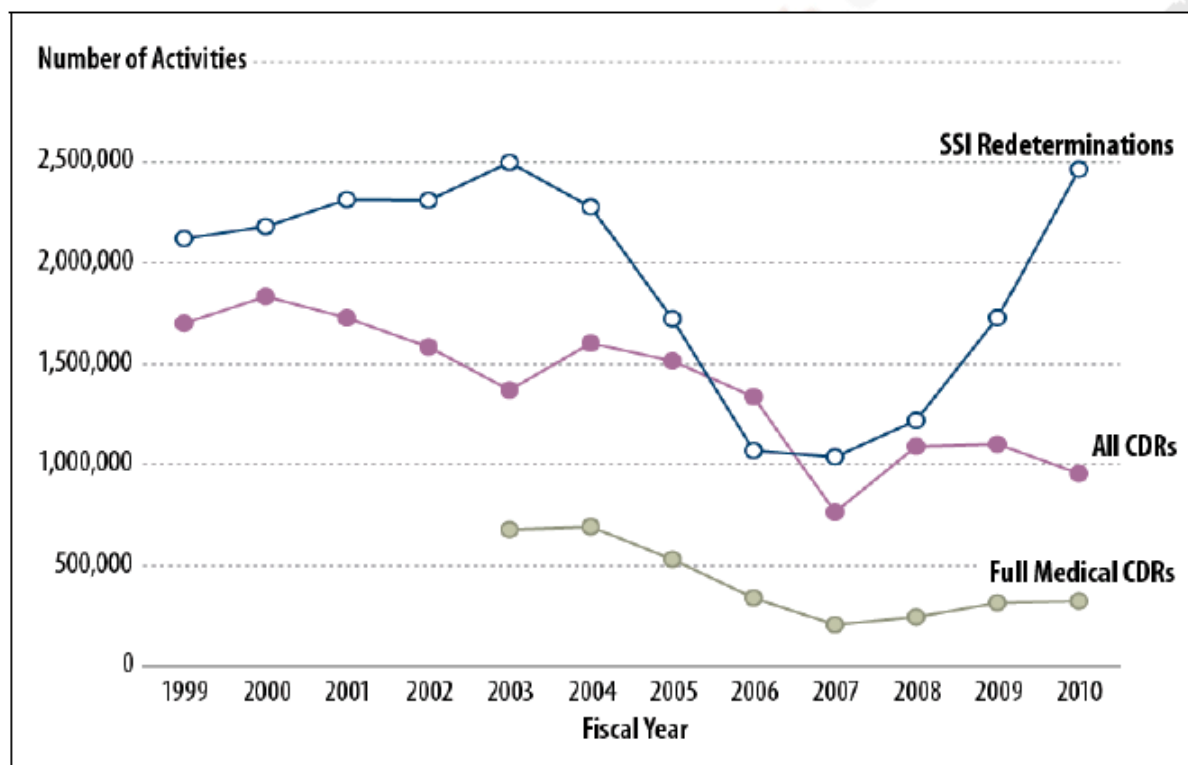
Investments in program integrity workloads to ensure accurate payments and save taxpayer dollars are necessary and prudent. However, SSA's capacity to address program integrity initiatives is directly impacted by its enacted funding level.

- SSA significantly reduced the volume of SSI redeterminations and medical CDRs from FY 2006 through FY 2008 due to inadequate funding of the agency. Reducing these program integrity workloads was necessary to prevent severe service deterioration in other SSA core workloads including the processing of disability claims at the initial and hearing level.
- Adequate appropriations in FY 2009 and FY 2010 allowed SSA to significantly increase its program integrity workloads. SSA invested \$759 million toward program integrity efforts in FY 2010. ***The 2.4 million SSI redeterminations and 325,000 medical CDRs completed in FY 2010 produced over \$6 billion in estimated savings*** in overpayments prevented or projected to be collected. This represents a 100% increase in SSI redeterminations compared to FY 2008 – 1.2 million more – and a 40% increase in medical CDRs.

The following chart from the Congressional Research Service report on SSA's Budget Issues dated May 19, 2011 dramatically shows the direct correlation between SSA appropriations and the number of critical program integrity workloads that SSA has completed.

Figure 5. SSA Program Integrity Activities

FY1999 to FY2010



Source: Congressional Research Service (CRS) with data from Social Security Administration, *Performance and Accountability Report, Fiscal Year 1999, November 1999, and subsequent editions.*

Note: "All CDRs" include both full medical CDRs and CDR mailers that do not include a medical review.

The following quote is from the same Congressional Research Service report:

"However, because LAE appropriations are made annually and their costs are applied to each fiscal year's annual budget, the long-term savings from these program integrity activities does not fully offset their costs in the fiscal year of the appropriation. As a result, the SSA has not traditionally been able to secure enough funding each year to gain the maximum potential program savings from CDRs and SSI redeterminations."

In FY 2011, SSA is scheduled to accomplish the same number of SSI redeterminations and medical CDRs as in FY 2010. Under the President's proposed FY 2011 SSA budget request, the number of medical CDRs was to increase by 31,000 to 360,000 cases. Because SSA will have to accomplish the same number of program integrity workloads in FY 2011 as it did in FY 2010 with fewer resources, delays and backlogs will occur in other SSA workloads. As SSA Field Offices and DDSs lose staff without receiving replacements and with significantly reduced overtime, the situation will worsen and public service will deteriorate.

There is significant concern that SSA will not be adequately funded in FY 2012, which would be detrimental to SSA's public service and stewardship responsibilities. The President's FY 2012 budget request includes \$938 million dedicated to program integrity, which saves taxpayer

dollars and is fiscally prudent in reducing the federal budget and deficit. ***If SSA is able to fulfill its FY 2012 program integrity targets the estimated program savings over the next ten years is over \$9 billion!***

NCSSMA strongly encourages Congress to provide SSA with the necessary funding to process its core workloads, reduce the medical CDR backlog, conduct additional SSI redeterminations and work CDRs.

Conclusion

NCSSMA recognizes in the current budget environment it may be difficult to provide adequate funding for SSA. However, Social Security is one of the most successful government programs in the world and touches the lives of nearly every American family. We are a very productive agency and a key component of the nation's economic safety net for the aged and disabled, but sufficient resources are necessary. A strong Social Security program equates to a strong America and it must be maintained as such for future generations.

We sincerely appreciate the Subcommittees' interest in the vital services Social Security provides, and your ongoing support to ensure SSA has the resources necessary to serve the American public. ***NCSSMA respectfully requests your support of full funding of the President's FY 2012 SSA budget request on behalf of our agency and the American public we serve.*** We also request your support for dedicated funding to provide for payment accuracy and program integrity initiatives. This funding should be separate from the overall administrative funding for the rest of SSA's workloads. This will provide SSA with the necessary funding to process its core workloads and to accomplish critical program integrity workloads, which ensure accurate payments, save taxpayer dollars, and is fiscally prudent. Failure to process program integrity workloads has adverse consequences on the federal budget and the ongoing administration of SSA programs. NCSSMA is confident that this increased investment in SSA will benefit our entire nation.

On behalf of NCSSMA members nationwide, thank you for the opportunity to submit this written testimony. We respectfully ask that you consider our comments, and would appreciate any assistance you can provide in ensuring the American public receives the critical and necessary service they deserve from the Social Security Administration.